



S T O L L · K E E N O N · O G D E N  
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May 5, 2008

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MAY 6 2008

PUBLIC SERVICE  
COMMISSION

Stephanie L. Stumbo  
Executive Director  
Public Service Commission of Kentucky  
211 Sower Boulevard  
Frankfort, KY 40602

**RE: Case No. 2008-00131 (Application of Louisville Gas and Electric Company for An Order Authorizing the Issuance of Securities and the Assumption of Obligations)**

Dear Ms. Stumbo:

Enclosed for filing in the above-referenced case, please find an original and eleven (11) copies of Resolutions of the Board of Directors of Louisville Gas and Electric Company. Please return a stamped filed copy in the self-addressed envelope provided.

Please do not hesitate to contact me if you have any questions or require additional information.

Very truly yours,

J. Wade Hendricks

JWH/dvg  
Enclosure

cc: Dennis Howard, II, Esq.  
Daniel Arbough  
Lonnie Bellar  
Rick Lovekamp  
John Fendig, Esq.  
Allyson Sturgeon, Esq.  
Don Harris  
Elliott Horne

Exhibit A

ACTION OF THE BOARD OF DIRECTORS  
OF  
LOUISVILLE GAS AND ELECTRIC COMPANY  
TAKEN BY WRITTEN CONSENT

April 28, 2008

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PUBLIC SERVICE  
COMMISSION

CERTAIN BOND RESTRUCTURING TRANSACTIONS

**WHEREAS**, the Company is considering proposed financial transactions, as described below, which are necessary and useful in response to current market and business conditions relating to certain of its auction rate pollution control; and

**WHEREAS**, the Company has outstanding certain series of insured, auction-rate pollution control bonds in the following principal amounts (the "Insured Pollution Control Bonds"):

<u>LG&amp;E Series</u>	<u>Principal Amount (\$ millions)</u>
Jefferson Co. 2000 Series A, due May 1, 2027	25.0
Trimble Co. 2000 Series A, due August 1, 2030	83.3
Jefferson Co. 2001 Series A due September 1, 2027	10.1
Trimble Co. 2002 Series A, due October 1, 2032	41.7
Louisville Metro 2003 Series A, due October 1, 2033	128.0
Louisville Metro 2005 Series A, due February 1, 2035	40.0
Louisville Metro 2007 Series B, due June 1, 2033	35.2
Louisville Metro 2007 Series A, due June 1, 2033	<u>31.0</u>
TOTAL (rounded)	394.3

**WHEREAS**, market or other business conditions may warrant various restructurings of all or a portion of the Company's Insured Pollution Control Bonds, which restructurings could take a number of forms, including but not limited to: (i) conversion to a fixed rate of interest to maturity; (ii) conversion to a fixed rate of interest for shorter than maturity; (iii) conversion to daily, weekly or other flexible interest rate structure to maturity (collectively (i), (ii) and (iii) hereinafter called "Conversions"); (iv) redemption and issuance of new bonds, which new bond issuances could involve attributes as described-above relating to Conversions ("Reissuances"); or (v) redemption and replacement with internal, affiliate debt structure ("Internal Refinancings"); and

**WHEREAS**, such Conversions or Reissuances, respectively, could in turn involve alterations in bond structures, terms or conditions, including but not limited to: (i) changes in provisions relating to price, maturity dates, interest rates; and reoffering or redemption procedures; (ii) changes to the insurance arrangements, including terminating existing insurance policies or new issuances without insurance; or (iii) changes to other credit support and related

arrangements, including providing backstop liquidity facilities, such as letters of credit; revolving or stand-by credit agreements, re-purchase agreements, or new insurance policies; and

**WHEREAS**, in connection with such Conversions or Reissuances, the Company may from time-to-time enter into new, additional debt or borrowing arrangements, with external financial institutions, in the respective amounts of up to \$215 million, including, but not limited to, for the purpose of supporting credit support and other liquidity facilities discussed above (collectively, the “External Facilities”); and

**WHEREAS**, in connection with and as part of such Conversions, Reissuances or Internal Refinancings, the Company may from time-to time further elect to purchase and or hold, and to subsequently remarket, transfer or redeem, all or a portion of the outstanding principal amounts of the Company’s Insured Pollution Control Bonds at one or more future times (“Repurchases”); and

**WHEREAS**, the Conversions, Reissuances, Internal Refinancings, External Facilities and Repurchases are collectively herein called the “Restructurings”; and

**WHEREAS**, in connection with the Restructurings, market and other business conditions can require the Company to analyze, decide and implement in a short time period the specific Restructuring transaction arrangements applicable to one or more series of Insured Pollution Control Bonds, based upon then-current market conditions, the counter-parties involved and the existing documentation for such series; and

**WHEREAS**, the Board of Directors has considered matters relating to the Restructurings and deems it advisable and in the best interest of the Company to approve such proposals as an initial matter, recognizing that when and as appropriate, it may consider and adopt additional further resolutions authorizing specific Restructuring transaction arrangements applicable to one or more series of Insured Pollution Control Bonds.

**NOW, THEREFORE, BE IT RESOLVED**, that the Restructurings are hereby authorized and approved and the Company is hereby authorized to proceed with the Restructurings as described in these resolutions, subject to receipt of all required regulatory approvals; and

**FURTHER RESOLVED**, that the officers of the Company be, and each of them hereby is, authorized and directed, for and on behalf of the Company to take such actions, including but not limited to, to enter into, execute, deliver and file such agreements and documents, and to make changes thereto, as they shall, in their discretion, deem necessary, appropriate or advisable to consummate the Restructurings as contemplated by these resolutions, with the taking of such actions and the execution of such agreements or documents conclusively to evidence the authorization thereof by the Board of Directors; and

**FURTHER RESOLVED**, that the officers of the Company are hereby authorized and directed to take any additional steps in connection with the Restructurings as

they may deem necessary or advisable in their discretion, including potential changes thereto; and

**FURTHER RESOLVED**, that the officers of the Company be, and each of them hereby is, authorized and directed to prepare, execute and deliver such applications, filing, or notices to governmental, commercial or financial entities as they may deem necessary or advisable in connection with the Restructurings, including, but not limited to, submissions to federal and state regulatory agencies; and

**FURTHER RESOLVED**, that all actions heretofore or hereafter taken by any officer of the Company in connection with the transactions contemplated by these resolutions be, and they hereby are, approved, ratified and confirmed in all respects.